

**GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:4970

ANSWERED ON:24.04.2002

PROMOTION OF VILLAGE INDUSTRIES IN ORISSA AND WEST BENGAL

BIR SING MAHATO;SANGEETA KUMARI SINGH DEO

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether the Khadi and Village Industries Commission (KVIC) has formulated and executed any special plan to promote village industries in Orissa and West Bengal;

(b) if so, the details thereof and if not, the reasons therefor; and

(c) the role played by the KVIC so far in promoting village industries in Orissa and West Bengal?

Answer

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI KARIYA MUNDA)

(a) to (c): Khadi and Village Industries Commission (KVIC) is already implementing the Rural Employment Generation Programme (REGP) throughout the country including the State of Orissa and West Bengal to promote village industries. Under the Rural Employment Generation Programme (REGP), back-ended Capital Subsidy in the form of Margin Money is provided at the rate of 25% of the project cost upto Rs. 10 lakhs and an additional of 10% on the balance project cost upto Rs. 25 lakhs. The beneficiary is required to invest his own contribution of 10% of the project cost. For weaker section viz. SC/ST/ OBC/Women / Physically Handicapped/ Ex-Servicemen and Minority Community beneficiary/institution and for hill border and tribal areas, North Eastern Region, Sikkim, Andaman & Nicobar Island, Lakshadweep, the margin money grant is 30% of the project cost upto Rs. 10 lakhs and 10% of the remaining cost of the project upto Rs. 25 lakhs. In such cases beneficiary's contribution is only 5% of the project cost. This scheme is being implemented through Public Sector Banks, Regional Rural Banks etc. Moreover, the Government of India has announced a package for the development of Khadi and Village Industries sector on 14.05.2001. the package has been devised in accordance with the Government's prime objective of creating more jobs in rural areas and empowering the women and backward classes in India. The package inter-alia has a provision for a Rebate Policy for five years, option of Rebate and Market Development Assistance (MDA), Insurance cover to Khadi artisans, emphasis on improvement of designs and quality of Khadi and Village Industries products etc.

The number of projects sanctioned and employment generated so far in the State of Orissa and West Bengal under the Rural employment generation programme are given as under :-

State Projects

Orissa 898

West Bengal 9982